

Testimony of

N. Lynne McCarron

Before the Judiciary Committee

Friday, March 25, 2011

11:00 a.m.

**H.B. 6620 AN ACT CONCERNING CONDOMINIUMS AND COMMON INTEREST OWNERSHIP COMMUNITIES**

***Principle, Phoenix Property Management, LLC,***

***30 Connecticut Boulevard, East Hartford, CT***

***Credentialed Property Manager, State of Connecticut since 1997.***

***Licensed Property Manager, State of Florida 1988-1991***

***Licensed Property and Casualty Sales Agent, State of Connecticut 1993-2009***

***Community Association Manger, License #000384, State of Connecticut 2002- present***

***President Elect, Community Association Institute Connecticut Chapter 2012-2014***

I am testifying today in opposition of H.B. 6620 relative to establishing an Office of Condominium Ombudsman within the Department of Consumer Protection. However, I do agree that there should be a dispute resolution process in place between unit owners and Boards of Directors.

Effective 7/1/10 revisions were made to the Common Interest Ownership Act (hereinafter referred to as "CIOA") designed to make associations more responsive to unit owners and to make their governance more transparent. I would prefer to see that these revisions are given an opportunity to perform on behalf of the Connecticut Condominium Owners Coalition (hereinafter referred to as "CCOC") and its members, as well as all unit owners within all condominium associations statewide, before additional laws and agencies are created to govern what the revisions in CIOA are already intended to govern.

As a Property Manger in the State of Florida I was required to obtain a license as well as complete continuing education requirements to maintain my license. I am in favor of licensure of Property Managers in the State of Connecticut. It is my opinion that licensure will raise the moral and ethical bar within the industry. By further educating and credentialing those who work in, and represent the industry, I would anticipate further remediation of the number of claims filed with the Department of Consumer Protection.

As a Licensed Real Estate Agent in the State of Connecticut it has been my experience when fulfilling my Continuing Education requirements, there are **no specific continuing education requirements for State of Connecticut Real Estate Agents relative to the sale of condominiums.** Most licensed agents that I

have dealt with have no understanding that the Declaration of Condominium is a governing document filed in the land records of each Township statewide and that it is a legally binding document. These governing documents, written for every Association, are what drive the industry individually and as a whole.

It would be my recommendation, if there is interest in providing assistance to condominium association unit owners, that the position of strength would be from the aspect of educating the consumer prior to purchase, in lieu of trying to solve the consumer's issues after they have become owners. I firmly believe that we have a duty to educate consumers as to what they are buying so that they understand what it means to live in a Condominium or a Common Interest Community prior to purchase. The current law states that a buyer has five (5) days from the date they receive the governing documents to accept or decline the contents of the documents before they go to closing. Should they decline, the real estate contract is void and all deposit money is refunded. The Agent complies by seeing that the buyer receives the governing documents for review and signs a receipt acknowledging they have received the documents. The buyer is then responsible for analyzing and determining the contents of the documents provided for on their own or with assistance from legal council. Inevitably, this step of the process falls through the cracks. The Agent has no obligation to review contents of the governing documents with the buyer and the buyer may or may not take the time to review them. Thus, at the point of sale, the buyer has little to no idea of what they have purchased with the exception of knowing they no longer have to shovel snow or mow their lawns. This leaves the industry and its participants to educate the new unit owner on how to live in their new environment after the fact. Due to the lack of knowledge of what is required to live in a common interest community, when a unit owner has to relinquish control it increases a level of frustration which makes them unhappy with their home and their investment.

If we don't fix the problem of educating the buyer, all the government agencies available or created, will not tame the beast. By lack of Realtor and consumer education, we continue to create problems not fix them.

Thank you for your attention.

Sincerely,

N. Lynne McCarron